

**DRAFT – Meeting Minutes of the
Finance Committee of the
Board of Directors of the
Arizona Historical Society**

July 18, 2023

Mission: Connecting people through the power of Arizona's history.

Minutes

- 1. Call to Order** – By Committee Vice Chair Gene Kunde at 9:09am.
- 2. Roll Call** – Gene Kunde
 - a. Present – Colleen Byron, Gene Kunde, Richard Powers, Sandra Navarrete
 - b. Staff – Kaydi Forgia, Kyle Morey, David Breeckner, Melba Davis, Carole McQueen
- 3. Minutes** – Discussion and action, if any, to approve the draft Minutes of the June 20, 2023 Finance Committee meeting.
 - a. Motion to approve minutes as submitted by Colleen Byron and seconded by Richard Powers; unanimously approved.
- 4. Call to the Public** – Gene Kunde
 - a. No members of the public present.
- 5. AHS Financial Overview** – Carole McQueen and David Breeckner
 - a. Review of monthly financial reports
 - i. FY23 EOD report was distributed as June 2023 Monthly report. No 13th month is anticipated.
 - ii. June 2023 report shows Revenue at 100.38% and Expenses at 86.25% realization. Total revenue grew \$16,617.72 above projections, but “mainstay” revenue streams (e.g. admissions) underperformed. expenses were \$625,143.57 less than anticipated. This is owed largely to savings from staff vacancies. At present, savings will be directed to the AHS operational reserves.
 - iii. Expenditure overages in IT and Utilities have been addressed and are covered in full – with anticipation for annual increases – in FY24’s budget.
 - iv. Staff vacancy savings are not anticipated to be as present in FY25. While some vacancies now do exist – VP of Finance – others are nearing fulfillment (e.g. VP of Marketing & Communications). Fill staff vacancies and reopening Pioneer Museum will allow for increased performance in

FY23's underperforming revenue streams (e.g. admissions).

- v. Gene Kunde appreciated AHS' budget efforts and commended a successful resolution to FY23's unexpected expenditure overages. He hopes that issues of staffing and staff compensation can be addressed in the future.
- vi. Carole McQueen added that budgetary savings from FY23 are comprised of non-appropriated funds that carry over between years; these can be used to address the FY24 planned deficit. Only about \$6,000 from appropriated funds were still in-process in the procurement portal at EOY on June 30, which is an agency all-time low.

6. AHS FY24 budget- David Breeckner

a. Director's Update - David Breeckner

i. Crosswalk Adjustment

1. AHS received confirmation of the appropriations load-out for FY24 from GAO of \$3.214m. AHS then received a follow-up by JLBC with FY24's crosswalk adjustments for all state agencies. Traditionally, AHS' adjustments have been negligible. In FY24, this increased by about \$170,000 (**Update: \$168,900**), owing primarily to an increase in Risk Management (state liability). This increase will reduce planned revenue for FY24 by a matching amount and impact the overall operations budget.
 2. Colleen Byron asked for clarification on what the Risk Management Adjustment is and by what process it determines an increase and the amount.
 3. AHS is currently seeking clarification on this increase and the process by which it was calculated. A full report with options to resolve any resulting loss in budgeted appropriated funding toward operations for FY24 will be presented at the August Finance Committee meeting.
- ii. Audit Inquiry – AHS received an inquiry from the Auditor's General Office with concern to a specific function code expenditure in FY22. AHS responded and resolved the inquiry, with no further response from their office.
 - iii. Carole McQueen announced her retirement after 25.5 years of state service, effective Friday, July 21. Her time at AHS has been a challenge and a pleasure, and expressed confidence that staff can support the

agency until her position is filled.

1. Members of the Committee and staff thanked Carole for her hard work and service, and wished her well for a well-earned retirement.

7. **Committee Update** – Gene Kunde and David Breeckner

8. **Announcements** and other matters for consideration in future Board or Committee meetings.

a. Gene Kunde asked the status of AHS’ VP of Marketing hiring efforts.

- i. David responded that AHS has completed 6 initial interviews and is finishing the first round, with a second and final round to follow shortly. The position is hoped to be filled by August.

b. On July 15, AHS submitted its Capital Improvement Plan (CIP) for FY25. The amount was for nearly \$91m (**Correction: \$70.5m**) and included proposals for two new construction projects involving AHC Tempe and AHM Tucson.

- i. Gene Kunde asked if this was a regular amount to request.
- ii. David responded that AHS’ past CIP requests were considerably smaller, in the low \$1-2m range (**Update: FY24 CIP was \$3.3m**); the large increase in AHS’ FY25 request is owed to the new construction being planned and developed.

9. **Adjournment** – By Gene Kunde at 9:41am.

Dated this 27th day of July 2023

Arizona Historical Society

Gene Kunde

Gene Kunde, Finance Committee Vice Chair

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Finance Committee Schedule: 9:00 a.m. and Virtual unless announced otherwise

Click the date to register for the meeting

All meetings are hosted live-streamed via Zoom

[August 15, 2023](#)

[September 19, 2023](#)

[October 17, 2023](#)

[November 21, 2023](#)

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